

# Developing a frame work to aid HR professionals working in organization with informal / unstructured HR department

Submitted to:

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# Letter of Transmittal

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Date: 25<sup>th</sup> February 2015

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**Subject: Submission of Internship Report on “Developing a frame work to aid HR professionals working in organization with informal / unstructured HR department”.**

Dear Sir,

I would like to thank you for supervising and helping me throughout my internship program in completing my MBA. This internship program has given me opportunity to experience one of the latest and unexplored areas of business in Bangladesh and has expanded my present knowledge manifold.

This report is a study on ‘HR professionals working in organization with informal / unstructured HR department’ with special focusing on organizational as well. The report also contains in-depth review of the human resource practices in KND Associates.

Thank you.

Sincerely,

**Ajmerina Kalam**

Student ID: 12164010

BRAC University

## Acknowledgement

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The successful completion of this report might never been possible in time without the help some person whose inspiration and suggestion made it happen. First of all I want to thank my supervisor Md.Abul Kalam for guiding me in KND Associates during my Internship. Without his help this report would not have been accomplished.

Then I would like to thank my advisor, Mr. Tahsan Rahman Khan for helping me completing my internship report on “Developing a frame work to aid HR professionals working in organization with informal / unstructured HR department”.

I would like to express my gratitude to all the faculty and staff members of BRAC University and specifically, BRAC Business School. This report is a culmination of the MBA time I have spent here and all that I have learnt.

I also thank my colleagues who helped me by providing informative instructions. I was closely attached with them during my internship tenure. Without them this project would have been very difficult. I also thank my parents, and some friends who kept on this long process with me, always offering support.

And finally I also express my sincere gratitude to all those who helped to prepare the report.

# Table of Contents

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<b>Chapter 1: Introduction</b>	5
1.1 Introduction to Report	6
1.2 Background of the study	6
1.3 Origin of the report	6
1.4 Objective of the study	7
1.5 Methodologies	7
1.6 Data collection Method	8
 <b>Chapter 2: Literature Review</b>	9
2.1 Literature Review	10
2.2 HR planning and forecasting	10
2.3 Recruitment	11
2.4 Training	11
2.5 Workplace learning and its benefits	12
2.6 Benefit and compensation	13
2.7 Succession Planning	13
2.8 Retention	13
2.9 Work Environment	13
 <b>Chapter 3: Finding of the Report</b>	15
3.1 Overview of the Company	16
3.2 Functionality of HR Department & my Job Description as an Intern	18
3.3 Importance of HR department in the company	21
3.4 My responsibilities as an intern in KND Associates	21
 <b>Chapter 4: Recommendations</b>	28
4.1 Developing HR department	29
4.2 Providing more facilities to increase job satisfaction	29
4.3 The HR should monitor the employees properly	29
4.4 Introduce service employee career development	29
 <b>Chapter 5: Conclusion</b>	30
 <b>Reference</b>	

## **Executive summary**

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The garment industry of Bangladesh has been the key revenue generating sector for the last couple of years. At present, the country generates about \$9.35 billion worth of products each year by exporting garments product. The industry provides employment to about 3 million workers of whom 80% are women. As we know that buying house is both externally and internally related with RMG sector. I have conducted my internship in this organization in the Human Resources Department. The organization was established in 1987 and its production side is located in Gazipur and Narayanganj. During my whole internship tenure I have worked in Human Resources Department of the organization.

The Human Resource Department in any organization is very important. Though in this organization the employees are working different category work not only they are stick in their own position. As an intern I didn't get the chance to work in every sector very deeply but I had my contribution on the HR practices in the organization.

In garments buying house the employee is a very important part because the employees are supposed to maintain all the practices in the organization. As the organization is a small one so they do not have specific HR department but have HR professionals to go through the HR practices in the organization. Labor turnover is a problem in this organization and also the HR professionals cannot take full decision by themselves. The solution that I helped to come up with is creating a better working environment and also developing HR department separately so that the professionals can do their job by their own responsibilities. And also preventing and monitoring the commission received by the top level managers from the employees, so that no injustice occurs to them.

# Chapter 1

## Introduction

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## **Chapter 1: Introduction**

### **1.1 Introduction to Report**

I have done my major in Human Resource Management from BRAC Business School. There I have completed the theoretical part of the MBA. Now the rest of the practical part I have completed from KND Associates HR department. This practical part will be evaluated by my honorable academic supervisor. For that reason I have prepared this report on the basis of my practical experience and submitted to my supervisor. The topic of the report is “Developing a frame work to aid HR professionals working in organization with informal / unstructured HR department”.

As a part of my internship program for my MBA, I got the opportunity to do internship in a garments buying house named KND Associates. In KND Associates I was assigned in the Human Resource department. My organizational supervisor was MD. Abul Kalam (Managing Director). My project topics covered the aspects of the HR department and also the problem happened for the unstructured HR department. The topic was given by my university supervisor Mr. Tahsan Rahman Khan (lecturer of BRAC Business School). My project was on the unstructured HR department at KND Associates. It was assigned to me by my organizational supervisor.

### **1.2 Background of the study:**

In this era of competition where there is no room for error, efficiency in production plays a great part. Efficiency in all aspects, passion for gaining advantage is the key for survival and growth. In all trade there's a saying it's the people who make all the difference. In garments buying house sector human resource play a vital role. In this study I would like to share my experience after working with a garment buying house named KND Associates. In internship my project was in a broader perspective of informal HR department. I have conducted a small research work on HR driven efficiency.

### **1.3 Origin of the report:**

The report is a requirement for internship of my MBA program. Topic has been assigned by the intern supervisor of BRAC Business School. I have tried my level best to make it a good one and

I have been serving the organization as an intern of human resource development department for the last three months.

## **1.4 Objective of the study:**

### **General objective:**

The main objective of his report is to have an assessment about overall activities of Human Resource Department and find out the problems occurred for the unstructured HR department. In broader perspective I have also tried to learn all the activities of a garments buying house.

### **Specific objective:**

1. Understand the HR operations of a garments buying house.
2. Understand how basic HR activities of KND Associates functions
3. Recommendations on how to improve the informal HR department.

### **Scope of the report:**

The report entirely discusses the current predicament of KND Associates and how they perform different HR practices. The report discusses the current HR policies of KND Associates and also the informal HR department. Also in this research I have solely focused on the HR Department and its policies. (Information source, “Marketing Research”)

## **1.5 Methodologies:**

To make this report meaningful and presentable, I used primary and secondary research base. Most of the data came from my critical observation. Primary data came from my experience, observation, unstructured interview. On the other hand secondary data has been collected through internet, different journals, and regular reporting.

### **Research Objective:**

To find out the main mismanagement regarding HR activities carried out in the company and its consequences.

### **Limitations:**

- Sample size is very small compared to the entire population
- The research is confined to just one company
- Lack of technical expertise
- Lack of manpower and other resource constraint



- Inadequate access to information (sensitivity of company information) which disrupts the scope of analysis
- Due to the limitations many aspects could not be discussed in the report

## **1.6 Data collection Method:**

Data was collected through previous documents, archival records and highly dependent on observation. Main source of data is open ended interview and observation. To find out the system loop hole and inefficiency I had to stay long hours with the organization and its employees.

### **Primary Data:**

I have collected primary data from the workers, different managers, analyze damage physically and visit the organization. The research itself is mainly of qualitative research. In the qualitative part it is actually an unstructured, exploratory research methodology based on small samples indented to provide insight and understanding of the selection and recruitment department's activity. But as I have chosen to take up qualitative research I have mainly used my observation and try to find out that what the basic problem is happened for the informal HR department.

### **Secondary data:**

I gathered information from the journals and yearbook. They don't have that much information given in the internet.

## **Chapter 2**

# Literature Review

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## **Chapter 2: Literature Review**

### **2.1 Literature Review:**

A literature review is a body of text that aims to review the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to a particular topic. In this report as I am dealing with the unstructured HR policies practiced by KND Associates, I have discussed the topics given below:

### **2.2 HR planning and forecasting:**

In simple words, HR or human Resource management is managing all the people of the organization in such a way that a bridge could be maintained between top level-mid level and lower levels of an organization. According to Mr. Jack Welch, “Every person who leaves goes on to represent your company. They can either bad-mouth or praise’.

Organization needs employee or worker to accomplish its mission and vision or company’s goal. To make this happen HR professionals use different techniques that starts with the very first procedure ‘Man Power Planning and Forecasting’. To get a job done and to get the job perfectly done are 2 different things. All the companies always search for the 2ndone because only perfectly done assignments can provide the optimal outcome.

That’s why HR professionals search for the right person for the vacant position of an organization. However, manpower planning and forecasting helps us to find what positions the firm will have to fill, and how to fill them. Manpower planning covers all future positions from maintenance clerk to CEO. In case of stuffing HR officials also need to be very concern about over staffed or understaffed issue. Every action leads to a reaction, so HR officials also need to be concern about the existing employee satisfaction while recruiting. It’s better to include the internal potentials in forecasting so that they can also arrange an internal recruitment if needed.

The most common Manpower planning approaches involve the use of simple techniques like ratio analysis or trend analysis to estimate staffing needs based on sales projections and historical sales to Manpower relationships. The usual process is to forecast revenues first and then estimate the size of the staff required to achieve this sales volume. An organization should always be ready for any unexpected threats. Human Resource Inventory provides the idea about the organization’s present capability for a proper response of any unexpected threats.

## **2.3 Recruitment:**

Over the past decade, researchers have stressed the fact that the recruiters should be more observant towards the first phase of the recruitment process as it can prove to be very crucial in terms of selecting the right people to do the job (Barber, 1998; Rynes, 1991). Barber (1998) argued that the initial phase of recruitment may be the most critical stage since individuals that do not apply are rarely exposed to the later, more interpersonally intensive, phases. Further, Boudreau and Rynes (1985) argued that if a firm can handle the pre-interview information then it can increase applicant awareness and interest in learning more about organizational offerings and can turn out to be a positive point to the economic utility of recruiting efforts.

There is some evidence that recruitment practices affect applicants' perceptions of the organization and intentions to apply. For example, (Powell, 1984; Taylor & Bergmann, 1987) said that organizational attributes, such as training, compensation and advancement opportunities can be very helpful if the applicant's perceptions about these concepts are positive. Further, research demonstrates that recruitment practices affect applicants' general feelings of attraction towards, or beliefs about, fit with an organization (Kristof, 1996; Taylor & Bergman, 1987). Other research, however, has found either no or mixed effects regarding the role of ad specificity in the recruitment process (Belt & Paolillo, 1982; Mason & Belt, 1986).

Given these mixed findings and the lack of a theoretical foundation in these studies, our understanding of recruitment processes may be enhanced to the extent that we can explain how and when detailed advertising will affect applicant intentions to apply to organizations. Theories from marketing research may be particularly effective for explaining the effects.

## **2.4 Training:**

According to Clinton O. Longenecker, "Training leads to better performance; ineffective training creates problems; training must be a managerial priority; managers must create a system for training that is tied to actions that ensure effective outcomes and educating workers to see the big picture is paramount" (Longenecker and Fink, 2005). He mentioned that in all the organizations, the people in charge of the employees is very keen to make training available to their people and make it an absolute necessity. By doing so, the company can achieve great results and thus gain competitive advantage over the rival firms. There is no doubt that managers at all levels of organizations around the world are under increasing pressure to produce better results sooner rather than later.

In this rush to increase performance, many business leaders and their organizations frequently overlook the competitive advantage to be gained by properly training and educating their workforces that they need to compete in a global economy. And because of downsizing the importance of effective training is increasing every day. As the recession has damaged almost all the country's economy in the world the companies are looking to have fewer but efficient employees. The explosion of technology in the workplace, empowerment, work teams, tight labor markets and often times, the lack of high quality graduates are ready to fill entry-level positions. Thus proving the fact that training can come to use in a very crucial manner. Yet the high level managers have to go through a lot of hurdles to keep the training programs active.

Conceptually, it is assumed that training by developing employee skills and knowledge enhances business performance (Kitching, 1998; Kerr and McDougall, 1999; Patton et al., 2000). However, several empirical studies have shown that the relationship between training and small firm performance remains debatable (Birley and Westhead, 1990; Wyncarczyk et al., 1993; Cosh et al., 1998; Storey, 2004).

## **2.5 Workplace learning and its benefits:**

A firm owner of a clothing enterprise commented, they produce very good quality garments products both for the domestic market and the international market and it is important that their employees have to possess advanced technical skills so that they can operate all the machinery they have.

Unfortunately, the quality of vocational education and training in India is not up to the mark, so to avoid any skill shortages the worker is trained at the work place. Of the small firm owners, 19 further argued that workplace training is crucial to the competitiveness of their firms as it facilitates the introduction of new technology. The owner of a clothing firm also added, most of their machine operators carry out inspections to check whether their machines need repairs or adjustments. Workplace training plays a role to educate them to adapt to new ideas in their work, which in turn gives them the opportunity to invest in advanced equipment.

Moreover, in order to stay productive and efficient, workers must be kept motivated. Noe (1986) described motivation as a transfer of the trainee's desire to use the knowledge and skills mastered in the training and development program on the job. Below, five critical elements are identified which influence the transfer of training process by affecting the employee's motivation to transfer the newly acquired skills and knowledge to the actual job setting.

## **2.6 Benefit and compensation**

This particular aspect of a job probably holds more appeal than anything else, and has the greatest impact on whether employees stay or leave. All over the world, majority of the employees work for the purpose of supporting themselves and their family financially. Therefore, this is undoubtedly the most important factor affecting job satisfaction. Benefits are always a great way to motivate the employees. In terms of HR it actually means to pay the job holders for doing their job. Compensation also covers the aspects of intangible benefits such as holiday benefits, payment appraisals, bonuses etc.

## **2.7 Succession Planning:**

- Identify key positions considering size of business, growth potential, organizational complexity etc.
- Create success profile for selected positions.
- Review succession planning process in terms of readiness, individual competences versus success profile, prioritization and analyze the gaps.
- Identify and formulate action plan to close the gap.

## **2.8 Retention:**

Labor markets have been tightening over the past decade, and replacement costs associated with filling vacancies have been spiraling upward for years. It can turn out to be very expensive if there are high rates of turnover as recruitment is very expensive and time consuming.

The turnover rates of any company can be taken into account to compare its progress in the future performance with the past performance. In Zeal the turnover rate isn't that high and is not a matter of concern. Retention problems can affect the financial status of a company if goes unnoticed for long.

## **2.9 Work Environment:**

In this era of globalization where there can be mixed culture in a company the work environment is quite important. The employee relationships can affect the company's performance. As most employees spend a significant part of their day working, the environment of their workplace is also a very important factor affecting their job satisfaction. Job environment includes physical aspects of the workplace like working conditions, availability of resources as well as coworker's behavior, politics etc.

Some changes of patterns have been witnessed during the research in this direction due to the major upheavals during the crucial steps of downsizing. Dougherty & Bowman (1995) said that during such periods organizations appear to experience lack of communication in many levels (even though communication appears to be particularly important at these times. Similarly, downsizing organizations appear to suffer a deterioration of trust (Buch & Aldrige, 1991) and an increase in uncertainty.

Work environment is always a major in terms of labor intensive industries as there are lots of workers working together in a single unit. If the working environment is not properly handled then it can lead to chaos and cause a lot of problems for the company.

## **Chapter 3**

# Findings of the Report

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## **Chapter 3: Finding of the Report**

### **3.1 Overview of the Company:**

This company is incorporated in Bangladesh on the 10<sup>th</sup> of July'1987 with the Aim to become one of the most respective and largest Manufacturers and Supplier of Readymade Garments.

Bangladesh entered in readymade garments business in early 1980s. At that time there were very few local entrepreneurs who knew the trade. Mainly the foreign entrepreneurs directly operated their business for the cheap labor. But during late 1980s and early 2000s the scenario of garment sector of Bangladesh started changing local expert and entrepreneurs started experiencing the knowledge of the trade.

In the above context KND Associates is a privately owned company which was established in 1987. The owners possess a vast experience in exporting readymade garments.

#### **Vision:**

To be the leading manufacturer of Readymade Garments and one of the most respected Supplier in the country with the satisfied buyers and employees and to generate value for the shareholders while contributing to the wellbeing of the society.

#### **Objectives:**

To set a standard for successful & efficient office management in order to get optimum output with quality. To create employment, promote investment and contribute to Bangladesh economy positively.

#### **Mission:**

“Provide on time quality services”.

#### **Office:**

The Head office of the company is situated at 55/B and 62/1 Purana Paltan, Dhaka, Bangladesh having 25 skilled employees. Most of them are highly educated and technically sound.

#### **Product & Capacity:**

Product: All kind of knitted garments as T-shirt, Polo Shirt, Sweat Shirt, Vest, Tank top, Singlet, Shorts, Trousers etc. made of cotton, TC, CVC and PC for all age groups. **Capacity:** 40,000 Pcs per day.

**Total work Force:**

Men 860 persons, Women 550 Persons, Total 1410 Persons.

**Organogram:****In House quality control:**

In line with one of the core value of the company the quality control Department is segregated from the production unit and the Head of the Department is reporting to the factory manager. The independent and dedicated QC team inspects each and every order in accordance with the Buyer's guidelines to ensure absolute conformity. In addition the team conducts a factory evaluation program internally so the compliance issues are looked at and the factory meets all the requirements of the buyers.

**Management information system:**

From day one they have introduced LAN based software system with workstations in all key areas to track attendance, production, and inventory and order status on an inline basis. The software also auto updates the accounting system with individualized payroll facility. This enables Company Management with instant access to any order status. As the timely shipment is directly dependent upon timely and effective follow up with all the sections, the online MIS gives the Company a distinct edge over the convenient way of following up manually.

**Work Environment and safety:**

- Factory floors including the toilets are fully covered with tiles with surrounding aluminum fabricated spacious windows.
- 48” heavy duty imported exhaust fans to maintain adequate ventilation and airflow in the work place.
- Electrical wiring and equipment’s involved best available local and imported goods in the country.
- Sufficient number of hygienic toilets for both men and women with continuous cleaning and maintenance.
- Adequate firefighting equipment, alarms and spacious emergency exists.
- Full time free medical support for operators and availability of first aid boxes.
- Day care facilities for the children of the female operators.
- Dining space for the production staffs.
- Child labor strictly prohibited in all sections of the factory.
- The factory is run in full compliance with the existing labor law, codes and recommendations of Bangladesh.
- In all the planned set up provides an excellent working environment for the management and the production staffs.

**3.2 Functionality of HR Department & my Job Description as an Intern:****Attracting the Candidates: Internal versus External Advertising**

The objective is to recruit the best person for the position. In KND Associates most of the employees are employed through internal advertising such as personal contacts of the manager, line managers, security guards and so forth. There is a vacancy sign posted outside the building which lures in employees. In case of top management employees they are recruited through a more formal manner, such as through headhunters, newspaper advertisements, and job sites (like BD Jobs). Those who best meet the skills, qualifications, experience and competencies required for the position would fill vacancies.

**Human resource forecasting:**

Human resources use forecasting to predict the organization’s future demands for people and for jobs. Major factors to be examined are the company’s objective (growth, construction, status quo) and the employment history of the company (retirements, resignations, terminations, and death). The combination of these two sources results in an initial forecast of personnel needs. In the organization there are HR professionals who are doing the activities for the organization.

**Recruitment and Selection:**

Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization.

As I have discussed that the organization has HR professionals and also they are maintaining the HR activities in the organization, but they don't have specific HR department in the organization. Two HR professionals are taking decisions about the recruitment process but they have to ask for the permission for every detail to the CEO.

This Recruitment and Selection Policy has been framed with the view of recruiting and selecting people who have a strong desire to achieve the company's vision, and who will assist in achieving the business results.

**Initial Screening:**

After collecting CV from various sources the second important thing is initial screening. In this stage, the important task is to select the eligible resume and deselect the unqualified resume. This initial screening is being conduct based on the company's requirement. Company looks for the several requirements, say for example:

- Educational Background
- Education Institute
- Related Job Experience

After the basic Recruitment and Selection process there are other processes that are considered by the company, which are stated as follows:

**Training:**

Training refers to a planned effort of a company to facilitate the learning of job-related knowledge, skills or behavior of employees. The goal of training efforts is for employees to master the knowledge, skills or ability emphasized by training programs and to apply it in organization day-to-day activities.

In buying house sector training is very important. In the organization there is no specific training sector because of this is a small organization. Therefore they have to give training because to make the new recruits cope up with the environment as well as the terms, rules and regulation of the organization. It requires a lot of skill to carry out the operations and has to be fast to meet the deadlines. In this organization the deadlines are very strict. If the deadlines are not met then it can result in a horrific conclusion such as the cancellation of the order and losing buyers and

having to sell the products at a very cheaper price locally. The organization gives 1 month training to the QC's so that they can gather knowledge about the matter and can do their best.

**Compensation:**

The organization has the compensation policy. Reviewing current pay structure and identification of reward design principles in the context of best practices. Review internal equity issue. Analysis market going rate and trends to address external competitiveness. Developing options in the salary & benefits area of Total Reward.

**Human resources inventory:**

It actually gives us an idea of how many employees are available in the company, such as what are the skills, abilities, interest and qualifications of the present employees.

The personnel inventory allows the managers to match the organizations present personnel strengths and weaknesses against the future requirements. When the decision is made to recruit new employees, information must be gathered on each position. At the same time they must establish minimum requirements so that suitable applicants can be hired. This information is developed through job analysis, job description, and job specification.

In buying house sector the job analysis is done by surveying the skill requirements needed to be an eligible employee from the line managers. Their feedback from past and current experiences determines the job analysis.

Job description is a written summary of the scope, function, duties, responsibilities, and relationships involved in a job. Job descriptions help management to select, orient, and compensate employees effectively.

Job specification is a document that describes the characteristics and qualifications needed in someone who could successfully perform a given job , job specification helps managers determine an applicant's fitness for a certain position by defining qualifications for education ,training , experience , and behavioral qualities the person must have to perform the job.

In KND associates, the organization recruit employees just like that. The organization used to verify whether the specific person is eligible for the position or not. As I told you earlier that this organization have no structured or fixed HR department, so the organization did not maintain the full HR activities properly but still they are maintaining for the wellbeing of the organization.

### **3.3 Importance of HR department in the company:**

As we know that the garments sector is a very labor intensive industry. If the labors are not handled properly then it can lead to really bad consequences such we have seen in the past like the strikes that occurred in Ashulia. The work that is done needs very skilled hands whereas the implementation of proper training is required. Whenever there is a riot because of salary issues it is the HR department that takes the initiative of handling the situation. HR department needs to keep in touch with the skilled workers so that whenever the need arises for labor they can be easily recruited without facing the problems of training employees from the start. Buying house have to have trained employee so that they could manage to give delivery in proper time. When the buyer visits the factory to inspect, it's the HR department which ensures the buyer's demand list. For an example QC's should be well trained up so that they could easily manage to do their work in proper time, because QC's used to pressurize to labor of the factory and also make them do the work in proper time.

### **3.4 My responsibilities as an intern in KND Associates:**

#### **3.4.1 Orientation and training**

First week I was introduced to KND. As an intern of HR I had gone through HR activity in detail. In the organization there are HR professionals who are taking care of the recruiting and other HR activities but as they don't have specific HR department for that reason they are not only doing the HR work but also other work in the organization.

#### **3.4.2 Assisting the recruitment process:**

As an intern I received a lot of supports from my superior's and as a result, I had the opportunity to be involved in most of the sectors of the buying house. I was actually involved in the recruitment process. Because I am doing the internship in HR department. I would sit beside the HR personnel and assist him and observe how the whole thing is being operated.

I also screened the CVs of the candidates; short listed them and called them for interview. Arrange interview dates, time and venue and panel for interview and coordinate accordingly.

After shortening the application, interviews are conducted as per requirement of the post, which include written, viva, and practical test on individual's skill, all the selected candidates are issued appointment letter where all the terms and condition of the service is written clearly. As per the

mentioned date on appointment letter candidate are supposed to come with all required papers (if not deposited before).

### **3.4.3 Review of the organization's current manpower and resources:**

While I was in the organization I had to visit the organization to review the organizational current manpower and resources. Competitive pricing is the pre-requisite for getting an order. Every order comes up with a technical sheet. In a technical sheet of an order everything are specifically mentioned. Like the construction of the fabrics, raw material of the fabric, dying formulation and dying process, design, swatch, team, packaging and all small technical details. Cost estimation is very complicated thing. First thing is that, find out the fabric requirement for production, check that production floor is free for production, trim an all other required things. Next thing is ask the suppliers for their price. Buyers are very serious about the quality of the raw material and compliance standard of the manufacturer. Quality and worker compliance is very important for their brand value. After examining fabric requirement and per yearn costing we quote the price to the buyer. All in not obvious that all time the lowest price bidder wins. In addition to the price previous performance, quality, delivery before schedule is also very important to get order. Last but not the least price plays the most vital role forget the order.

I participated in how to collect buyer's requirement. Nowadays the business model of big brands has changed. Most of the RMG brands outsource their requirements to low cost production abduction destination. As we know that cheap, available and skilled RMG workers make Bangladesh one of the most preferred RMG production destinations in the globe. We basically supply our products to western Brands. By season they used to change their fashion, color, style. Before the season they procure their inventory. They circulate their requirement to the supplier that is different garments factories ask for price quote. Lowest bid with compliance wins the contract. Another thing that may happen is some garments factories used to select by different brands as their regular supplier. Collecting buyer's requirement is a very important task for the business. Keeping in touch with the buyers' agent or directly with the buyer is the key for survival followed by the growth.

Merchandiser co-ordinates everything. After getting work order suppliers send pre-production sample to us. They have to send to the buyer for approval. Or sometimes they suggest for testing in local laboratory. After getting approval from the supplier they give the suppliers go ahead signal. In that time suppliers start manufacturing. When raw materials are in house we have to go for a quality inspection of raw materials. After approved by our local QC (quality control)

inspector we finally approve the raw materials for production. As an assistant merchandiser we have to communicate all update to the buyer or buyers' local agent.

I monitored how the whole production process works from scratch. I also went to the fabric warehouses. I saw how a pattern is being made, how the product is sewed, how the swatch is made, how it is packed and loaded to the covered van.

#### **3.4.4 Reviewing the HR policy:**

My research is mainly focused on qualitative study based on observations of the buying house HR department throughout my whole experience one very crucial element that I noticed is that the employees are the heart of the organization. But ironically the turnover rate was very high. A high employee turnover rate can be detrimental for any organization. High turnover rates can create a lack of staff to complete essential daily functions of a company. In addition, high turnover rate can cause a loss of productivity as new employees take some time to get up to speed, particularly in complex jobs.

During my internship period I also reviewed the HR policies of the company. The HR policies are as follows:

##### **A. Standard Conduct**

Employees are expected to conduct themselves on the job in a manner that contributes to operating effectiveness, productivity, safety and a harmonious work environment. If employees do not meet the organization's expectations of performance and/or conduct, corrective action, up to and including termination may be taken. It is within management's discretion to determine what measure would be appropriate under each circumstance. In KND Association I saw that there is no specific employee to maintain the conducts but the employees of the organization themselves doing the work.

##### **B. Security**

Theft is a common thing in Bangladesh that frequently occurs. To protect from such incidents KND Associates has taken necessary precautions such as hiring good security guards.



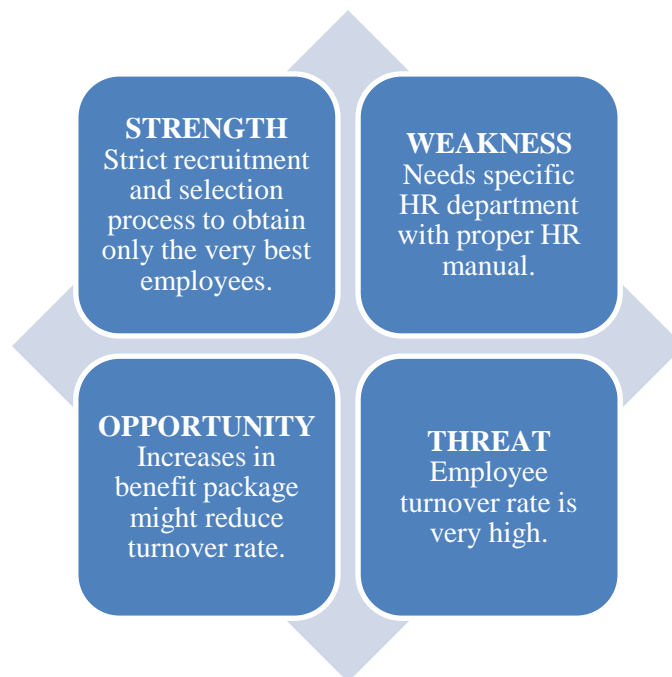
### C. The recruitment policy in KND Associates:

The company employs best person for every position amongst those made available for selection, according to the company's authorized employment procedure. No discrimination is made in selection due to sex, religion, cast, creed or regional consideration.

1. The circulation of vacancies is usually done through advertising in newspaper, bdjobs, etc.
2. The candidate has to provide following documents with application.
3. Detailed bio data of the employee.
  - Job application
  - PP size photograph
  - Education certificate and/or
  - Age certificate/chairman/doctor certificate

### D. SWOT analysis of KND's HR department:

Now I will discuss a little about the HR department's strengths, weaknesses, threats and opportunities. During my time as an intern in KND Associates I was basically involved in the HR department and their processes. Without the trained employee it would be almost impossible to run any organization. So the HR department has a lot of work in their hands and has to make sure that the employees are satisfied and are doing their job properly because if they cannot produce the products on time then they will miss the shipment.



Newer employees also lack expertise and knowledge so, more time is spent on training programs. This generated more costs with little paybacks. Most importantly, a high turnover rate can prevent an organization from accumulating human capital which is vital for an organization's growth and survival in the long run. If any organizations like buying house miss their date then crores of taka will be lost. In KND Associates I also sat with the HR personnel while recruiting the employees and make sure whether that individual is fit for the organization or not.

Many skilled workers leave the company for no valid reason at all, many of whom leave after getting the salary from the company. Oddly enough though, the same workers end up coming back to the company again. It is like they follow a cycle. Training is very important as the employees need to have very skilled mind.

The issue of job satisfaction should be given more priority. Job satisfaction is in regard to one's feelings or state-of-mind regarding the nature of their work.

The effects of low job satisfaction can be far-reaching and this issue is of concern for small business owners as well as large companies. If employees are not happy with their jobs, several areas of their work are affected and their behavior can also affect other employees. The common effects of poor job satisfaction are as follows:

#### **E. High Employee Turnover Rates:**

As I found out, the employee turnover of the company was quite high. The buying house industry in Bangladesh is so vast that there is always some work available for the workers. For instance, if they get some more money in some other organization they will surely leave their current organization. Many times they just leave for no reason at all and sometimes they leave after getting their payment. In this organization same problem is going on. The HR professionals are taking the appropriate person for the organization but the employees are leaving for some more money to another organization. One of the employee named Emtiaz Khan, he leave the organization and have joined another organization for difference of salary.

#### **F. Job Stress:**

Employees are paid a fixed amount per month and so the companies are always trying to make them as hard as possible for the money's worth. Their salaries are not that much but they are giving a lot of effort to meet up the deadlines.

## **G. Poor Overall Morale:**

What I found out was that the top management is fluent in English but the mid-level workers like managers, merchandisers and QC's as well were not fluent in English as they have to negotiate with the buyers from abroad. As the quantities of production are very high even one cent can make a whole lot of difference. The merchandisers have to be very dynamic and knowledgeable in order to carry out the whole process smoothly. But in KND Associates I saw that the merchandiser he is not capable of telling English. I also found that he is doing his work perfectly by taking help from the top level management.

### **3.4.5 Pitfalls of not having structured HR department for the HR professionals:**

#### **Informal Organization:**

In the formal organizational structure individuals are assigned various job positions. While working at those job positions, the individuals interact with each other and develop some social and friendly groups in the organization. This network of social and friendly groups forms another structure in the organization which is called informal organizational structure.

The informal organizational structure gets created automatically and the main purpose of such structure is getting psychological satisfaction. The existence of informal structure depends upon the formal structure because people working at different job positions interact with each other to form informal structure and the job positions are created in formal structure. So, if there is no formal structure, there will be no job position, there will be no people working at job positions and there will be no informal structure.

#### **Features of informal organization:**

- (1) Informal organizational structure gets created automatically without any intended efforts of managers.
- (2) Informal organizational structure is formed by the employees to get psychological satisfaction.
- (3) Informal organizational structure does not follow any fixed path of flow of authority or communication.
- (4) Source of information cannot be known under informal structure as any person can communicate with anyone in the organization.
- (5) The existence of informal organizational structure depends on the formal organization structure.

KND Associates is a buying house where there is no separate HR department. Therefore they are doing HR activities sometimes in a structured way some times in unstructured way. I found that the employees of the organization are doing various types of work whenever needed. For the unstructured HR department the HR professionals are not able to do what they basically supposed to do. For every purpose or every issue the HR professionals are asking for permission to the top management level.

There is no training center personally so it is another problem arises for the HR professionals. Directly the employees are going to the garment and taking experience. So this is one sort of problem because if the employee can get training and then go for the experiment, obviously result will be good. Therefore in most of the cases it took time for the employee to make them confident in his work.

In the recruitment process there are problems as well. In buying house most of the cases the recruitment is from internal source. In that case the HR professionals cannot select the perfect person for the position. Another problem is that the high employee turnover creates problem. According to the system the HR professionals recruit employee and without specific reason the employees left the organization. This create huge problem for the HR professionals because this is cost effective as well.

## Chapter 4

# Recommendations

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## **Chapter 4: Recommendations**

Although the HR activities of KND Associates is doing a decent job at the present, but there is scope to enhance development both internally and externally.

### **4.1 Developing HR department:**

KND association needs to build a HR department separately, so that the HR professionals can manage the whole HR procedure properly. That means from the recruitment to selection the HR professionals can take their own decision for the wellbeing of the organization.

### **4.2 Providing more facilities to increase job satisfaction:**

As I have told that this buying house is a small organization. So it is necessary to take care of the facilities of the employees because it is a fact that if the employees are happy then they will feel more motivated towards work and thus increase the productivity in the long run. Many facilities can be provided to the labors such as health benefits, occasional arrangements during festivals. The officers must be more cooperative, cordial and friendly to HR department.

### **4.3 The HR should monitor the employees properly:**

According to my observation I have found out that one of the main reasons of the employee turnover is because of the other employees. The managers make them go through a lot of hassle and also take bribe from them for appointing them or introducing them to the HR.

### **4.4 Introduce service employee career development:**

At first, the employees' requirements and needs should be fulfilled and then they can become aware of their customer's needs. We learn from this that it will reduce employee turnover and can contribute to increase customer satisfaction.

This segment also talks about the empowerment of the employees. It is important because it increases employees' latitude in performing their daily tasks including solving customer problems and handling service failures, and it is related to increased frontline service employee performance.

## **Chapter 5**

### Conclusion

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## **Chapter 5: Conclusion**

There is no end to development in any sector of an organization. There is always a room for development. Every organization must take the benefit of this scope. The company has established itself as a garments manufacturer and supplier and it also have a customer profile that includes some of the best names in the business.

KND Associates do not have separate HR department and for that reason this organization is facing few problems. As we know that HR department is a part which makes the organization better for future and for the present as well, which is not possible for the other officers. Although in this organization the employees are very helpful and work together and face the difficulties but a structured HR department can be a best option for them.

So, finally I will say that this internship at KND Associates under the Human Resource activities has enlarged my theoretical knowledge of MBA in to some practical knowledge and made my education more complete and practical.



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